

OPINION
74-61

October 28, 1974 (OPINION)

Mr. Roy A. Neste

City Attorney

Park River, ND 58270

Dear Mr. Neste:

This is in response to your letter of October 21, 1974, wherein you request an opinion of this office relative to whether a municipality may become a member of a corporation. You submit the following in your letter of inquiry:

"Enclosed find two letters for your inspection and I would like your opinion as to whether the City of Park River could legally become a member of a corporation. I am quite certain that our light and water plant which is a municipal utility could donate to this because we do obtain our water from the Homme Dam which is located on the Park River, but the question is whether we could be a member of the corporation or one of the incorporators."

You have also enclosed two letters specified which appear to solicit the membership of your city.

Section 185 of the Constitution of North Dakota provides as follows:

"SECTION 185. The state, any county or city may make internal improvements and may engage in any industry, enterprise or business, not prohibited by article XX of the constitution, but neither the state nor any political subdivision thereof shall otherwise loan or give its credit or make donations to or in aid of any individual, association or corporation except for reasonable support of the poor, nor subscribe to or become the owner of capital stock in any association or corporation."
(EMPHASIS SUPPLIED)

Accordingly, we are of the opinion that a city may not become a member of a corporation by subscribing thereto or by becoming the owner of capital stock thereof.

Sincerely yours,

ALLEN I. OLSON

Attorney General